

April 22, 2008

Comments of Gregory Smith of Butterfield Broadcasting Corporation.

Proceeding: Localism  
MB Docket No. 04-233

Dear Sirs:

Between 1993 and 2005 Butterfield owned and operated a total of twelve radio broadcast signals in Central Washington State. Butterfield does not currently hold a broadcasting license.

Butterfield's business plan was to purchase financially troubled radio stations and turn them into profitable businesses. Of the twelve signals we purchased only two had sufficient revenue from the sale of advertising to cover their operating expenses.

### **Main Studios**

Had the rules required us to maintain a Main Studio including the required staffing in each community of license, we would have either not purchased the signal if it were a stand-alone, or signed off the AM in an AM/FM pairing. This would have silenced six signals. Only by employing the efficiencies allowed by operating these signals out of a single facility with staff working for multiple signals were we able to build two financially successful groups.

The last group we built in the market was broadcasting in Spanish. No commercial stand-alone Spanish language radio station had ever been able to survive economically in that market until we were able to group several of these signals and operate them out of a single facility. This group continues to operate in the market, but now under Hispanic ownership.

Butterfield's experience would suggest that were each signal required to maintain a staffed main studio in its community of license that hundreds of small radio stations would go dark. Many of these small communities do not have a sufficient advertiser base to support a radio station.

### **Community Advisory Boards**

In Butterfield's opinion a local radio broadcaster will not be very successful commercially unless that broadcaster is in touch with its community. However; if the Commission decides to require stations to establish a community advisory board, it should allow Radio and Television stations in the same community to band together to form such a board. We understand that such group meetings are already being conducted in Seattle and Spokane. Local community leaders, many of whom are part time or volunteer, have a huge demand on their time. Butterfield is concerned that if each community leader is requested to serve on ten to twenty separate boards, that they might feel it is too much of a burden and turn them all down. This single board would not preclude broadcasters from separately seeking out input Community leaders not on the board.

### **Quantitative Programming Guidelines**

In this era of a proliferation of radio signals in most markets and increasing program specialization and narrowcasting, Butterfield would like the Commission to consider a Market approach to specific programming availability rather than require each individual signal to carry a set minimum amount of each programming category. It's very easy for a listener to change stations to one that provides programming that the listener wants at any given time. Even a Group Owner mandate would be better than a per signal mandate. With the flexibility to narrowcast, broadcasters would be free to provide listeners with programming they want when they want it.

### **Voice Tracking**

With the amount of information available on the internet, time and distance is no longer the obstacle to acquiring local information. Whether our on air staff is operating out of the local studio or out of their homes in a different community, most of their programming preparation is done on line anyway. Listener telephone calls and emails are routed to the appropriate staff regardless of physical location.

### **Local Music**

In Butterfield's experience, any music station that does not meet the wants and needs of its local community will not get enough ratings to survive in the commercial marketplace. Butterfield is opposed to any music mandates.

Butterfield employed music consultants to collaborate with us on each music format. There is an enormous amount of detail and research that goes into the selection of each song and when and how often it should be played.

Butterfield was fortunate to be able to have specific programming from time to time on its Country Music and Spanish Music stations devoted to New Groups and/or Local Music. These programs were produced in response to local listener demand. Great care must be taken by the programming department to pick music and groups that are compatible with the overall music imaging of the station. In order to cast a wide net so we would have enough quality talent, we considered any group within a six state area to be "local." Even then, there were periods of time this programming would be reduced, or increased in length and frequency to adjust to the availability of talent. Due to the availability of what we considered quality compatible music, there was no way to predict in advance the amount of air time we could devote to new and local music.

### **Remote Station Operations**

Although this specifically addresses Television operations, this issue will come up again in the Digital Radio Proceeding. Butterfield believes that with the improvement in EAS equipment, if local authorities are properly trained to use the equipment they have, their access to our radio station and audience is automatic and much faster than it would be if we had a staff member between them and the broadcast signal. We would not allow a night-time person to put anything on the air without the prior approval of a supervisor. The EAS system does not require anyone to contact a supervisor for permission to access our stations. If the EAS system has weaknesses, let's fix them. Let's not take a step backward.

### **Increase Opportunity for New Entrants.**

I'm not sure the FCC can do much to force this issue, since it is not an allocation problem. It's a money problem. If you want new entrants into broadcasting, they need access to money. Perhaps a streamlined SBA loan process would help. Tax incentives for sellers could help. Tax incentives for banks and other investors backing qualified new entrants might help.